

STATE OF CONNECTICUT

2005 Action Plan for Housing & Community Development

I. INTRODUCTION

The Annual Action Plan updates the State of Connecticut's 2005-2009 Consolidated Plan for Housing and Community Development (ConPlan), a five year plan addressing Connecticut's housing and community development needs. The State submits the Plan to the U.S. Department of Housing and Urban Development (HUD) in order to be eligible to apply for funds under the Small Cities Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with Aids (HOPWA) programs. This Annual Action Plan covers the program year from July 1, 2005 to June 30, 2006.

References to sections of the ConPlan are made throughout this document. Not all of these sections are duplicated here. Copies of the ConPlan are available from the Connecticut Department of Economic and Community Development (DECD), Compliance Office and Planning/Program Support. A copy of the Action Plan can be viewed or downloaded by visiting DECD's web site at www.DECD.org

The activities, programs and resources discussed in this Plan will be administered by various agencies including the Departments of Economic and Community Development, Social Services, Mental Health and Addiction Services, and the Connecticut Housing Finance Authority.

In accordance with federal regulations, the Action Plan includes the following sections:

- Resources: funding sources available to address the State's needs and objectives;
- Activities: method for distributing funds for activities that address needs and objectives;
- Geographic Distribution: geographic areas to which the State will direct assistance;
- Homeless and Special Needs Activities: plans to address homelessness and assist persons with special needs;
- Other Actions: strategies to address underserved populations, foster and maintain affordable housing, remove barriers, and assist families in poverty;
- Summary of Public Comments: comments made on the Action Plan and DECD responses;
- Applications for Assistance: HUD Form 424 for the CDBG, HOME, ESG, and HOPWA programs; and
- Certifications: general and program specific certifications as required by HUD.

II. CITIZEN PARTICIPATION

In accordance with Connecticut's 2005–2009 Consolidated Plan for Housing and Community Development, the Department of Economic and Community Development (DECD) solicited public input in developing the 2005 –2006 Action Plan. So that public input and concerns could be included in the development of the state's 2005-2006 Action Plan, two public hearings were conducted by DECD on February 15, 2005 in Rocky Hill and February 17, 2005 in Hamden on housing and community development needs throughout the State.

DECD also solicited input on the draft Action Plan through a 30-day public comment period from, March 10, 2005 to April 9, 2005 and invited citizen participation at three public hearings held on March 22, 2005 in Rocky Hill, March 23, 2005 in Coventry and March 24, 2005 in Hamden.

III. FEDERAL REQUIREMENTS

A. Resources:

Federal and State resources, which will be used during this Action Plan time frame to address the needs and strategies identified in the ConPlan, are found in the sections on specific programs in this report. This Action Plan provides a plan for expending FFY 2005 funds in the following programs:

HOME Investment Partnerships (HOME)	\$	13,439,519
Small Cities Community Development Block Grant (CDBG)	\$	15,107,297
Emergency Shelter Grants (ESG)	\$	1,138,691
Housing Opportunities for Persons with AIDS (HOPWA)	\$	242,000

*Please note that the funding represented for each program is subject to congressional action, which could affect an increase, reduction or elimination of the funding amounts noted.

A chart of State and Federal Resources that details those funds that are available to support housing and community development activities is included later in this document. The state cannot anticipate what other public or private funds may be available to support the programs, activities and strategies discussed here, however, the state will make maximum use of any such resources as they become available. The state is committed to making the most efficient and effective use of all resources.

A notice of funding availability will be posted on the DECD website upon funding notification from HUD.

B. Activities:

The State's methods of distributing funds and carrying out activities funded by HUD and other federal programs are described in the program-specific sections that follow. In recognition of the crucial need for access to funding for housing and community development projects throughout the year, the State makes both HOME and Small Cities CDBG funds available on a year-round basis through its "open " application process. Please refer to the HOME and Small Cities CDBG sections of this document for more detail on these activities.

C. Geographic Distribution:

All communities of the state are eligible for funding from both state and federal programs, in accordance with program requirements. Funds under both the HOME and Small Cities CDBG programs will be available to all eligible communities. Communities with greater needs may be given higher priority.

D. Homeless and Other Special Needs Populations:

Homeless and other special need populations are described in detail in the Needs Assessment and the Homelessness sections of the ConPlan. Strategies to address these needs are listed in the Strategies section of the ConPlan. A general description of state and federal resources can be found in the Institutional Structure section of the ConPlan.

E. Other Actions:

The strategies to address underserved populations, foster and maintain affordable housing, remove barriers and assist families at or below poverty are discussed in the Strategies section of the ConPlan. A general description of state and federal resources can be found in the Institutional Structure section of the ConPlan.

1. The Connecticut Housing Finance Authority (CHFA) will review the Federal Low Income Housing Tax Credit Allocation Plan to assure consistency with state policies described in this Action Plan.
2. Redevelopment of state assisted housing stock will be considered in the award of Housing Tax Credits.
3. The State of Connecticut will continue to address the reduction of lead-based paint hazards in a manner consistent with current activities at the Department of Economic and Community Development (DECD). These include but are not limited to the following:

- a. The State will continue its efforts to reduce the hazards of lead-based paint through a coordinated outreach effort to provide lead based paint hazard reduction information to rehabilitation and construction contractors. In addition, CDBG funds used to support homeownership rehabilitation loans will be increased to absorb the costs associated with the lead based paint hazard reduction methods requirements.
- b. Further, the state will continue its association with selected contractors to administer a comprehensive rehabilitation effort through a one-stop process for housing rehabilitation activities including but not limited to lead-based paint hazard reduction, code violations and energy conservation improvements. Funding continues to be available from the State-funded Energy Conservation Loan Program and the Removal of Hazardous Materials from Residential Structures Program.

The State of Connecticut intends to abide by HUD's new requirements for notification, evaluation and reduction of lead-based paint hazards in federally owned residential property and housing receiving federal assistance (Lead Safe Housing Regulation at 24 CFR Part 35).

IV. PROGRAM ACTIVITIES

A. HOME Program:

The State will continue its effort to strengthen the abilities of state and local government to expand and preserve its supply of decent, safe, sanitary, and affordable housing with the use of Federal Fiscal Year (FFY) 2005 HOME funds. All HOME assisted rental and home ownership units must meet all program guidelines for income eligibility.

The State will invest in the production of affordable housing through new construction or rehabilitation only when it determines that the units produced will remain affordable for the minimum required time period under the HOME Program. DECD at its' discretion may require to extend the affordability period beyond the minimum required by the HOME program. If HOME funds are used for homebuyers, the State will abide by the guidelines for resale and recapture as required in Section 92.254 of the HOME Investment Partnerships Program Consolidated Final Rule.

Pursuant to Sec. 92.218-92.222 of the HOME Final Rule, the state Participating Jurisdiction (PJ) incurs a 25% matching obligation for the HOME funds it expends. The PJ will use its General Fund housing appropriations as its match.

The state is also seeking to expand access to affordable housing through the utilization of partnerships with stakeholders and other funding organizations that leverage non-state resources for development or preservation of affordable housing.

Geographically, HOME funds will be available to all 169 communities. The Department will accept applications for all HOME eligible activities with the exception of Tenant Based Rental Assistance (TBRA).

1. FFY 2005 Resource Allocation Plan for the Home Program - The Federal Fiscal Year 2005 HUD allocation to the Department of Economic and Community Development for HOME is expected to be \$13,439,519. HOME funds are subject to availability from the federal government. If changes to this distribution become necessary, procedures outlined below will be observed in making those changes.

FFY 2005 Allocation	\$13,439,519
State Administration (10%)	\$ 1,343,951
ADMIN. SUBTOTAL	\$ 1,343,951
CHDO Capacity Building	
CHDO Set-aside (15% of Allocation)	\$ 2,015,927

CHDO FUNDS SUBTOTAL	\$ 2,015,927
American Dream Downpayment Initiative	
Federal Fiscal Year 2005 allocation	\$ 503,857
Total ADDI	\$ 503,857
Program Funds Available	\$ 9,575,784
TOTAL	\$ 13,439,519

2. Reprogramming of Funds - During the fiscal year, DECD may recapture funds from previous fiscal years from:
 - Non-performing grantees;
 - Grantee's underutilized funds; and
 - Program income generated by grantees.

Funds may be reallocated during the program year based on demand and /or emergency situations. In the event that additional funds are allocated that affect Connecticut's initial allocation and/or are recaptured from other states and reallocated to Connecticut during the program year, these funds will be distributed in accordance with the Action Plan guidelines in effect as of the date of reallocation.

The Department of Economic and Community Development proposes to use ten percent of its annual HOME allocation for program administration. The remaining funds are proposed to be allocated for HOME eligible activities. A minimum of fifteen percent of the annual allocation will be set-aside for Community Housing Development Organizations (CHDO) as required by federal law.

3. American Dream Downpayment Initiative (ADDI) Program - DECD will make available \$ 503,857 in ADDI funding under the HOME program. The American Dream Downpayment Initiative, part of HUD's expanded effort to promote homeownership, will help underserved households including residents and tenants of public and manufactured housing and other families assisted by public housing agencies obtain the resources to meet upfront downpayment and closing costs, which is the most significant obstacle to homeownership among lower income groups. Homeownership plays a vital role in creating strong communities by giving families a stake in their neighborhoods and helping them to build wealth by undertaking and maintaining homeownership.

The American Dream Downpayment Initiative will be administered under DECD's HOME Investment Partnerships Program. DECD will administer this program in conjunction with all applicable HOME rules and ADDI rules as they are promulgated including the requirements of HUD's Interim Rule for ADDI. American Dream Downpayment Initiative funds must benefit low-income families who are first-time homebuyers with downpayment and closing cost assistance of up to 6 percent of the purchase price of a single family housing unit or \$10,000, whichever is greater. Pre and/or post purchase housing counseling for homebuyers is also required.

To meet the goals of this initiative, DECD will encourage applications for homeownership development projects aimed at the ADDI target population as well as applications from organizations with existing downpayment programs seeking to expand their funding capability. In accordance with the ADDI Interim Rule, DECD will require applicants to submit as part of the application process, their plan for conducting targeted outreach to residents and tenants of public and manufactured housing and to other families assisted by public housing agencies. ADDI recipients are obligated to fulfill all of the requirements of HUD's Interim Rule for the ADDI, which will be included in the application packages.

The Department will not be establishing a new DECD administered consumer-based product associated with this initiative; it therefore will not be accepting requests from individuals interested in

down-payment assistance. Individuals interested in downpayment assistance should contact an existing downpayment assistance provider.

4. Debt Refinancing - For non-profit developers, the Department may also utilize HOME funds to refinance existing debt or to retire bridge financing provided the following conditions are met:
 - a. Refinancing of Existing Permanent Debt – (Applies only to Nonprofit Developers) - DECD may permit the use of HOME funds toward the cost of fully or partially refinancing an existing permanent mortgage loan on rental property provided, in the opinion of the Commissioner, the following conditions are met:
 - The rehabilitation of the housing must be the primary eligible activity. Therefore, the cost of the rehabilitation of the housing must equal or exceed \$25,000 per HOME-assisted unit and the total cost of the refinancing paid for with HOME funds may not exceed 50% of the cost of the eligible HOME rehabilitation activities;
 - A review of the management practices of the applicant must demonstrate that the proposed rehabilitation is not the result of dis-investment in the property by any entity involved in the application for HOME funds;
 - A review of the proposed operating budget for the project must demonstrate that both the cost of the refinancing and the needed rehabilitation of the project can be met and still result in the affordability of the units to HOME-eligible tenants for a period of 15 years or the term of the refinancing, whichever is longer;
 - When compared to the refinancing terms being proposed, the loan being refinanced must have:
 - An interest rate higher than the proposed refinancing; or
 - A repayment term that is longer than the proposed refinancing; or
 - A lump-sum repayment requirement (a balloon payment).
 - Priority may be given to projects located in a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2), a Federally designated Empowerment Zone or Enterprise Community, or a State designated Neighborhood Revitalization Zone; and
 - The activity does not involve the refinancing of a multifamily loan made or insured by any State or Federal program, including CDBG.
 - b. Grants or Loans to Pay Off a Bridge Loan – (Applies only to Nonprofit Developers) - DECD may permit the use of HOME funds for the repayment of all or part of any reasonable bridge loans secured by a nonprofit developer to pay for project costs necessarily incurred prior to the availability of HOME or other financing. Such expenses may include the cost of acquisition of real property, real estate options and feasibility studies, which in the opinion of the Commissioner were necessary to the development of the project. Any services paid for with such a bridge loan that will be repaid with HOME funds must be for HOME-eligible expenses. The applicant must have secured all services in accordance with a DECD-approved Procurement Plan.
5. Resale and Recapture Guidelines – In compliance with 24 CFR Part 92.254 (a)(5), Qualification as Affordable Housing: Homeownership. The Department will require a Deed Restriction or Restrictive Covenant be placed on each property assisted with HOME funds to enforce the affordability requirements. For homeownership projects, the Department may utilize HOME and/or ADDI funds to assist homebuyers provided the following Resale and Recapture requirements are met:

Affordability Period – The minimum affordability period is established by HUD based on the amount of HOME financial assistance in each unit; however, the applicant may request or DECD may require a longer affordability period in neighborhoods that are experiencing rapidly appreciating housing costs. A neighborhood with “rapidly appreciating housing cost” is one where, at the time of application, housing costs are increasing at a rate beyond the rate for housing costs contained in the Consumer Price Index.

Direct Subsidy: or buyer's subsidy consists of any financial assistance that reduces the purchase price from fair market to an affordable price, or otherwise subsidizes the purchase (e.g., downpayment or closing cost assistance, subordinate financing).

Development Subsidy: or developer's subsidy is provided to the developer and is the difference between the cost to develop housing and the market price. While the subsidy does not go directly to the homeowner, it helps make development of an affordable home feasible.

Affordability Enforcement – For HOME-assisted ownership projects, HOME rules require that a Resale and/or Subsidy Recapture restriction be applied to the units. If the sole HOME financial assistance to a unit is a developer's subsidy (not combined with a buyer's subsidy), then the only type of restriction permitted is a resale restriction.

Resale Restrictions – A Resale Restriction requires the resale of the unit to HOME-qualified homebuyers throughout its affordability period. Successful use of this restriction requires imposition of a deed restriction or a restrictive covenant at the initial sale and diligent oversight and assistance at the time of resale. Because of this obligation, DECD normally will not permit Resale Restrictions unless the sponsor has a long-standing history in owning and/or managing affordable housing. A "long-standing history" means at least ten (10) years.

Subsidy Recapture – A Subsidy Recapture requires that the resale of the unit during the affordability period trigger a repayment of the HOME subsidy that the buyer received when they originally purchased the unit. Subsidy Recapture may be structured so that it is reduced using the following formula: $\text{Yearly Reduction} = 1/\#$ where # equals the number of years of affordability required. Thus, if the affordability period is 15 years, each year the amount of subsidy subject to recapture decreases by 1/15. However, in no event shall the subsidy recapture calculation result in a repayment greater than that which would result in calculating the net sales proceeds with a pro-rata share to the owner based on the original purchase.

Choice of Enforcement Method: If the sponsor is administering a program with buyer subsidies and it has a long-standing history in owning and managing affordable housing; it may select to use one or the other form of enforcement. However, the specific method must be selected prior to the start of the program. If the sponsor does not have the required long-standing experience and its program will utilize buyer subsidies, it must choose the subsidy recapture method of enforcement.

6. Application Process for HOME Program - DECD will continue to accept applications for the HOME program under the "open" application process. Applications will be accepted on a continuing basis year-round, for as long as funds continue to be available. The Department reserves the right to cease accepting applications at any time that available funds have been committed. Applications will be rejected at that time, and applicants will be warned to proceed at their own risk.
 - a. The application process will be as follows:
 - All requests for funding must be submitted directly to the Department's Office of Housing Finance (OHF);
 - Prospective applicants may be invited to complete a pre-application in accordance with the Department's administration of the HOME program;
 - Staff will review the pre-application and any attached materials to determine if the project/activity meets minimum program eligibility and threshold requirements. Minimum program eligibility and threshold requirements include applicant's experience with the HOME program and/or other public financing and current status of existing contracts with the Department. Pre-applications that do not meet basic eligibility and threshold review requirements will be rejected for funding;

- Staff will invite an application if the project/activity is determined to be eligible and the threshold requirements have been addressed;
 - All applications and any attached materials throughout the application process may be reviewed and evaluated by a project review committee under the direction of the Office of Housing Finance's Community Development Administrator; and
 - Applications will be considered against financial and qualitative issues, including but not limited to:
 - Financial feasibility;
 - Reasonableness;
 - Financial leveraging;
 - Social and economic impact on the neighborhood, community, region and state as defined in the strategies and priorities outlined in the ConPlan;
 - Number of current open contracts;
 - Current projects' expenditure rates; and
 - Prior audit or monitoring performance.
- b. Program Eligibility and Threshold Requirements for the HOME Program include:
- Eligible Applicants- as defined by HUD program regulations;
 - Applicant Capacity- previous experience with the HOME program and/or other public financing, quality of work product, efficiency and effectiveness in project management;
 - Number of open contracts with the DECD- Applicants with 3 or more open contracts (not pending closeout within six months of application), regardless of funding source, will be rejected;
 - Eligible Activity- Only those activities eligible under the appropriate Federal Acts will be funded;
 - Statement of compliance with all program requirements. Applicants must be in compliance with all existing DECD Assistance Agreements and cannot be in default under any CHFA or HUD administered program (Waiver provision provided in extraordinary circumstances);
 - The applicant must identify how the project meets and is consistent with the goal(s)/strategy(ies) of the DECD Consolidated Plan; and
 - Certification/demonstration of compliance with Fair Housing Guidelines.
- c. Application Evaluation and Approval Process for HOME Program - DECD staff will conduct due diligence and evaluate eligible applications using the evaluation criteria described herein. Depending on the nature of the proposed activity, site inspections may be conducted by DECD staff. An evaluation of the site's feasibility will be completed and considered as part of the final review. Final review will also include, but not be limited to, the following:
- The applicant's expenditure rates on open contracts;
 - Readiness to proceed;
 - Compliance with DECD underwriting guidelines;
 - The extent to which the proposed activity supports the goals of neighborhood, local, regional and state plans for housing and community development; and
 - The ability of the applicant to demonstrate that they will be able to secure firm financial commitments from other funding sources.
- d. Recommendations for approval will be made from the Community Development Administrator to the Commissioner. Final recommendations will be based on the overall quality of the application as well as fund availability. Approved applicants will receive notification from the Commissioner's office. If the application is not approved, the Community Development Administrator will advise the applicant of the rejection in writing and identify the reasons for the rejection.

B. Small Cities Community Development Block Grant (CDBG) Program:

The Department will accept applications for all Small Cities eligible activities. In the event that additional funds are allocated that affect Connecticut's initial allocation and/or are recaptured from other states and

reallocated to Connecticut during the program year, these funds will be distributed in accordance with the Action Plan guidelines in effect as of the date of reallocation.

1. FFY 2005 Resource Allocation Plan For Small Cities CDBG Program - The Federal Fiscal Year 2005 HUD allocation to the Department of Economic and Community Development for Small Cities CDBG is expected to be approximately \$15,107,297. CDBG funds are subject to availability from the federal government. If changes to this distribution become necessary, procedures outlined below will be observed in making those changes.

FFY 2005 Allocation	\$15,107,297
State Administration (2%)	\$302,145
(Additional State Admin) (\$100,000)	\$100,000
Technical Assistance (1%)	\$151,072
ADMIN SUBTOTAL	\$553,217
Program Funds Available	\$14,554,080
TOTAL	\$15,107,297

2. Reprogramming of Funds - During the fiscal year, DECD may recapture funds from previous fiscal years from:
 - Non-performing grantees;
 - Grantee's underutilized funds; and
 - Program income generated by grantees.

Funds may be reallocated during the program year based on demand and /or emergency situations.

3. Community Revitalization Strategies - In 1996, HUD established criteria for allowing States to approve a locally determined strategy for revitalizing an area that is among the community's most distressed. In order to provide some incentive for grantees to undertake such revitalization, the CDBG regulations provide certain benefits for the use of CDBG funds in such an area. DECD will apply the same criteria to communities eligible for Small Cities CDBG.
 - a. A community that is interested in seeking approval of a community revitalization strategy (CRS) must submit a request to DECD prior to and separate from an application for a Small Cities CDBG grant.

Once a CRS is approved, the community is eligible for the following incentives:

- Job Creation/Retention as Low/Moderate Income Area Benefit: job creation/retention activities undertaken pursuant to the CRS may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the income of the persons that take or are considered for such jobs;
- Aggregation of Housing Units: units assisted pursuant to the CRS may be considered to be part of a single structure for purposes of applying the low- and moderate-income national objective criteria, thus providing greater flexibility to carry out housing programs that revitalize neighborhoods;
- Aggregate Public Benefit Standard Exemption: Economic development activities carried out under the strategy may be exempt from the aggregate public benefit standards, thus increasing a community's flexibility for program design as well as reducing its record-keeping requirements; and
- Public Service Cap Exemption: Public services carried out pursuant to the CRS by a Community Based Development Organization will be exempt from the public service project-funding cap.

- b. A community's strategy must be designed to provide for the economic empowerment of the low and moderate-income residents of a particular area that is among the community's most distressed. It must also provide for other long-term improvements within a reasonable period of time.

Therefore, the CRS must clearly describe how it meets the following criteria:

- **Boundaries:** the community must identify the neighborhood's boundaries for which the CRS applies. All areas within the boundaries must be contiguous;
- **Demographic Criteria:** the designated area must be a primarily residential area that contains at least 51 percent low and moderate-income residents. However, a community may not utilize the area benefit presumption authorized by 24 CFR 570.483(e)(5)(i) or the aggregation of housing units authorized by 24CFR 570.483 (e)(5)(ii) unless it meets the additional demographic criteria outlined in 24 CFR 570.483(b)(1)(v). Communities that intend to utilize the area benefit presumption or the aggregation of housing units must provide DECD with the census data needed to support the LMI percentage and poverty rate in the designated area;
- **Consultation:** The community must describe how the CRS was developed in consultation with the area's stakeholders, including residents, owners/operators of businesses and financial institutions, nonprofits, and community groups that are in or serve the neighborhood;
- **Assessment:** the CRS must include an assessment of the economic conditions of the area and an examination of the opportunities for economic development improvement and the problems likely to be encountered;
- **Economic Empowerment:** there must be a realistic development strategy and implementation plan to promote the area's economic progress focusing on activities to create meaningful jobs for the unemployed low and moderate income residents of the area as well as activities to promote the substantial revitalization of the area; and
- **Performance Measures:** the CRS must identify the results expected to be achieved, expressing them in terms that are readily measurable, in the form of benchmarks.

In order to avoid an unnecessary burden for the community in describing its CRS, the community may refer to specific portions of other documents that the community must provide to DECD. The community may need to provide additional information only if insufficient detail is not already contained in these documents so that DECD can determine that each of the criteria has been met.

A community with an approved Neighborhood Revitalization Zone pursuant to Public Act 95-340 may use the strategic plan developed for the NRZ as the CRS as long as any additional information required by DECD is also provided.

4. **Planning Grants** - Planning grants must be utilized to build local administrative capacity and to develop or manage Small Cities Community Development Block Grants. Federal and State policy requires that all Planning only grants develop plans that, if implemented, would meet the low/moderate income national objectives. To meet this requirement, planning grants must be for a specific CDBG eligible activity.

Requests for funding will be approved on first come, first served basis. Towns are limited to one planning grant request per program year in an amount not to exceed \$50,000. Total awards for planning grants will not exceed 2% of the State's annual allocation.

5. **Economic Development Applications** - The Small Cities CDBG Program will award grants under the economic development category to eligible local governments or multi-jurisdictional applicants to assist businesses in meeting the national objective for low and moderate-income benefit through job creation or retention.

Grants will be awarded based on the following determinations: (1) whether Small Cities CDBG funding is appropriate, and (2) that the type and level of Small Cities CDBG assistance is reasonable in relation to the achieved public benefit and does not unduly enrich the business.

6. Section 108 Loans - Section 108 Loan Guarantee Program is an extension of the federal Small Cities CDBG program, which provides a source of financing for community development projects in accordance with Section 108 of the Housing and Community Development Act of 1974 as amended. The program is designed to finance large-scale projects that address public needs or stimulate economic development.

Guaranteed by the U.S. Department of Housing and Urban Development and backed by the full faith and credit of the United States, Section 108 notes are issued to investors through private underwriters. The Section 108 funds are offered to localities in the form of loans, which must be repaid in full. The State pledge of future Small Cities CDBG funds serves as one source of security. All projects will be required to provide additional security and demonstrate that the 108 borrowing can be paid back. All Section 108 projects must fulfill at least one of the Federal Small Cities CDBG national objectives.

Applications will be approved on an "open" application basis. The awards will be made for projects qualifying on non-competitive criteria until funding authority is less than pending pre-applications. When and if demand exceeds supply, the statewide Small Cities CDBG evaluation criteria will be employed.

Proposals for Section 108 loans will be accepted by the State throughout the year and will be evaluated on project merits by a review team. Localities will be requested to complete a pre-application, which will enable the State to determine that the proposal meets federal eligibility and feasibility criteria. Proposals will be accepted for housing rehabilitation, housing development site preparation and infrastructure and economic development. The amount of funds committed to a particular project will be based on financial need and public benefit relative to risk.

Key program elements for the Section 108 Loan Guarantee Program include:

- DECD Statewide assistance is limited to \$14 million or no more than \$1,500,000 principal and interest payments annually;
- DECD minimum amount per project is \$500,000;
- DECD maximum loan guarantee per applicant or per project will not exceed \$4 million;
- The maximum loan term will be 20 years;
- Loans will be capped at 75% to 80% Section 108 loan to collateral value pledged;
- Repayment feasibility must be reasonably assured;
- Each project must demonstrate at least 10% equity participation;
- Section 108 loan funds cannot constitute more than 90% of total project costs;
- For economic development projects, the cost per full time equivalent job cannot exceed \$35,000 in Section 108 funds (all permanent jobs);
- For economic development projects Section 108 assistance is limited to a maximum of \$350 per low- moderate-income resident served;
- The interest rates charged will be pegged to cost of funds, which track treasury rates; and
- For DECD housing rehabilitation projects, maximum assistance will be capped according to HOME program guidelines.

7. Application Process for Small Cities CDBG Program - DECD will continue to accept applications for the Small Cities CDBG program under the "open" application process. Applications will be accepted on a continuing basis year-round, for as long as funds continue to be available. The Department reserves the right to cease accepting applications at any time that available funds have been committed.
 - a. The application process will be as follows:
 - Prospective applicants must complete a pre-application in accordance with the Department's administration of the program. All pre-applications must be submitted directly to the Office of

- Municipal Development's Program Representative for the community in which the project/activity will be carried out;
- Staff will review the pre-application and any attached materials to determine if the project/activity meets minimum program eligibility and threshold requirements. Staff are available to provide technical assistance regarding eligibility requirements and funding opportunities;
 - Staff will invite an application if the project/activity is determined to be eligible and the threshold requirements have been addressed or the prospective applicant will be advised of deficiencies. Projects that do not meet basic eligibility and threshold requirements will be rejected for funding and will receive a letter outlining the reason(s); and
 - The Community Development Administrator will review staff recommendations to submit applications if the project is determined to be eligible. The following criteria will be considered:
 - Social and economic impact on the neighborhood, community, region and state as defined in the strategies and priorities outlined in the ConPlan; and
 - Applicant's outstanding obligations, number of open grants, current project expenditure rates, prior audit or monitoring performance.
- b. Program Eligibility and Threshold Requirements for Small Cities CDBG Program include:
- Eligible Applicants- as defined by HUD program regulations;
 - Eligible Activity- only those activities eligible under the appropriate Federal Acts will be funded;
 - Statement of compliance with all program requirements;
 - Applicants must be in compliance with all existing DECD Assistance Agreements and cannot be in default under any CHFA or HUD administered program (Waiver provision provided in extraordinary circumstances);
 - The applicant must identify how the project meets and is consistent with the goal(s)/strategy(ies) of the DECD Consolidated Plan;
 - Certification/demonstration of compliance with Fair Housing Guidelines;
 - National Objective - Each proposed activity must meet at least one national objective. The national objective claim must be fully supported, and in some cases, the Agency should pre-approve the approach for meeting the national objective;
 - Certification/demonstration of compliance with Citizen Participation criteria;
 - Match Requirement - Applicants must provide a minimum local contribution of 10% of the DECD amount requested from a non-state source. Rural communities with populations of 3,000 or less which are classified, as economically disadvantaged under any state or federal authority are not subject to the match requirement. A waiver of the 10% local contributions threshold may be requested at the time of application. The Commissioner, at his sole discretion, may approve or disapprove the appeal; and
 - Housing Projects and "Planning only" grants are not subject to the 10% local contribution.
- c. Application Evaluation and Approval Process for Small Cities CDBG Program - DECD staff will conduct due diligence and evaluate eligible applications using the evaluation criteria described herein. Depending on the nature of the proposed activity, site inspections may be conducted by DECD staff. An evaluation of the site's feasibility will be completed and considered as part of the final review. Staff will make a recommendation for approval to the Commissioner. Staff review will include the following:
- Applicant outstanding obligations (i.e. findings & concerns);
 - The number of current open contracts;
 - The applicant's expenditure rates on open contracts;
 - Readiness to proceed; and
 - The extent to which the proposed activity supports the goals of neighborhood, local, regional, and state plans for housing and community development.

- d. Final recommendations will be based on the overall quality of the application and compliance with the threshold and evaluation requirements. The ability of the applicant to demonstrate that they will be able to secure firm financial commitments from other funding sources will also be a determining factor. Approved applicants will receive notification from the Commissioner's office. If the application is not approved, the Community Development Administrator will advise the applicant of the rejection in writing.

C. Evaluation Criteria for HOME and Small Cities CDBG Programs - The following are categories of evaluation criteria and descriptions of factors that will be considered within each category.

1. Need and Marketability - The project must meet one or more of the priorities as outlined in the ConPlan. This category will consider: the overall housing and community development needs of the site, the neighborhood, the community, the municipality and the region in which the activity is proposed, the documented need for the specific activity proposed, the extent to which low and moderate income households will be served or will benefit, the extent to which health and safety issues apply, the extent to which the proposal addresses the community's special needs housing, and a market analysis of the proposed activity and waiting lists (if appropriate).
2. Project Feasibility - DECD must expend federal funds in a timely manner; therefore, priority shall be given to all projects that have a "ready to go" status. "Ready to go" means that necessary approvals are in place such as permits, funding, certifications, etc. This category will consider distinct areas: site, development, and operational feasibility. Site feasibility will consider the environmental condition of the proposed activity, site control, current zoning and approvals, infrastructure condition and needs, the presence of hazardous materials, and historic preservation requirements. Development feasibility will consider: project cost including total development cost, per unit cost and program cost ("soft cost"), proposed development budget, appraisals, funding commitments from other sources, amount of funding leveraged by HOME or Small Cities CDBG funds, the extent to which HOME or Small Cities CDBG is used as gap financing or funding of last resort, relocation, project time line, and project readiness to proceed. Operational feasibility will consider: proposed operating budget, proposed rents and/or purchase prices, the reasonableness of operating expenses including fees, and cash flow projections for the project.
3. Applicant/Sponsor Capacity - All applicants must meet all thresholds and be in full compliance with any and all Assistance Agreements with DECD and cannot be in default under any DECD, CHFA or HUD administered program. This category will consider the applicant's success with previous DECD funded projects, development experience, experience of the development team and staff, management experience, performance in administering previous grants and/or loans from DECD, and performance in promoting fair housing and equal opportunities.
4. Community Impact - DECD will consider whether the project is part of a comprehensive planning process for the community such as a Community Revitalization Strategies Plan, Plan of Development or similar planning effort. The applicant must provide evidence of the planning effort supporting the project. This category will consider the relationship between the proposed activity and the other housing, economic and community development activities that are planned or underway in the impacted neighborhood, the relationship of the proposed activity to priorities identified in the municipality's or region's plan of development, the economic impact of the proposed activity, local government support for the proposed activity, neighborhood support for the proposed activity, and if the proposed activity is located in a targeted investment area such as a Neighborhood Revitalization Zone or Enterprise Zone.
5. Fair Housing and Equal Opportunity - DECD will consider the demonstration of a previously approved and active Fair Housing Plan, and the applicant's performance in achieving the goals of the plan. Applicant's Fair Housing Plan should reflect the requirements of DECD's Analysis of Impediments Action Plan. In addition, the Department will also consider the demonstration of an active Equal Opportunity Plan and the applicant's performance against that plan. Applicants must

submit a Fair Housing Plan that has been updated within the last two years and milestones/achievements as a result of the plan. This category will consider the extent to which proposals promote racial and economic integration, the extent to which the proposal offers housing choice and opportunities to extremely low/very low/low and moderate-income households and to persons with special needs, and the extent to which the proposed project reduces racial segregation. The Fair Housing category will only apply to housing proposals, while Equal Opportunity will be applied to all proposals.

D. Compliance & Monitoring for HOME and Small Cities CDBG Programs:

The Department will monitor applicants' compliance to program requirements in accordance with 24 CFR 92.508 and 24 CFR 570.492 for the HOME and Small Cities CDBG programs respectively. Applicants will be notified in advance of any project monitoring. Applicants should be aware of the long-term compliance requirements associated with their respective projects in advance of accepting a contract for funding with the Department.

E. State and Federal Resources for DECD: State Fiscal Year 2005-06

ECONOMIC & COMMUNITY DEVELOPMENT (DECD)	STATE> 05-06	HUD >05-06	TOTAL
HOME (includes ADDI \$)	\$0	\$13,439,519	\$13,439,519
Small Cities Community Development Block Grant	\$0	\$15,107,297	\$15,107,297
Small Town Economic Assistance Program, STEAP Funds	\$11,900,000	\$0	\$11,900,000
Flexible Housing Funds	\$15,000,000	\$0	\$15,000,000
Assisted Living Funds	\$770,400	\$0	\$770,400
Housing Assistance and Counseling	\$588,903	\$0	\$588,903
Elderly/Congregate Rental Assistance	\$1,523,004	\$0	\$1,523,004
Congregate Operating Subsidy	\$5,258,151	\$0	\$5,258,151
Urban Act Funds (Community Development)	\$0	\$0	\$0
TOTAL FOR DECD:	\$35,040,458	\$28,546,816	\$63,587,274

Note DECD figures are based on Governor's Recommended Budget

CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)	STATE> 05-06	HUD >05-06	TOTAL
LOW INCOME HOUSING TAX CREDIT	\$0	\$TBD	\$TBD
TOTAL FOR CHFA:	\$0	\$TBD	\$TBD

F. Priority Objectives and Performance Goals for HOME and Small Cities CDBG Programs:

The state intends to make available HOME and Small Cities CDBG funds to eligible recipients based on the priorities set forth in the 2005-2009 Consolidated Plan and this document.

The Performance Outcome Measurement System associated with the 2005-09 Consolidated Plan includes objectives, outcome measures and indicators (outputs). It has three overarching program

objectives under which all CDBG, HOME, ESG and HOPWA program activities, outcome indicators and measures will be grouped. They are as follows:

I. Encouraging Homeownership

- Improve the ability of low-and-moderate-income residents to access homeownership opportunities.

II. Expanding the Supply of Quality Affordable Housing

- Preserve and increase the supply of quality affordable housing available to all low-and moderate-income households, and help identify and develop available resources to assist in the development of housing.
- Improve the ability of low- and moderate-income residents to access rental housing opportunities.
- Assist in addressing the shelter, housing, and service needs of the homeless poor and others with special needs.

III. Revitalizing Communities

- Provide communities with assistance to undertake economic development initiatives.
- Provide assistance to help communities undertake community infrastructure, facility, and service projects affecting public health, safety and welfare.

These three objectives incorporate the statutory objectives for the CDBG, HOME, ESG and HOPWA programs. Grouping the program activities in this way allows Connecticut to report on its progress toward meeting the overall objectives of the aforementioned programs in a simplified and comprehensive manner.

In some cases, activities will fall under more than one program objective, depending upon the purpose/type of the program.

The measures, used in the Consolidated Plan's Performance Outcome Measurement System, are designed to clearly gauge whether or not the activities being funded under the four federal programs, governed by the plan, are meeting the plan's stated goals and objectives.

As stated in Section IX "Strategic Plan" of the Consolidated Plan, there are twelve goals supporting the plan's three overarching goals. Each goal is supported by specific objectives. Each objective has specific measures associated with it.

Performance Measurement Methodology

The ultimate purpose of the Performance Outcome Measurement System of the Consolidated Plan is to clearly demonstrate whether or not Connecticut is achieving the statutory objectives of the CDBG, HOME, ESG and HOPWA programs. The strategic plan section of the Consolidated Plan has been designed to link the statutory goals of these four programs to the specific activities carried out by the state. Please refer to Section IX "Strategic Plan" of the Consolidated Plan for detail on the plan's overarching goals, goals and objectives.

Therefore:

- 1) If the majority of a goal's stated objectives are achieved then that goal will be considered accomplished.
- 2) If the majority of the goals that support one of the plan's overarching goals are achieved then that overarching goal will be considered accomplished.
- 3) As the three overarching goals of Connecticut's Consolidated Plan incorporate the statutory objectives for the CDBG, HOME, ESG and HOPWA programs, the statutory objectives for these

programs will be considered accomplished if the overarching goals of this plan have been accomplished.

Performance Measures

The metrics (outcome measures and indicators/outputs) used to gauge the success or failure of the Consolidated Plan must be tangible and obtainable. They must be clearly understandable and easily flow through a hierarchical construct, which links actions to the ultimate goals of the federal programs governed by the plan.

Each specific objective has been assigned one or more measures designed to clearly identify whether or not that objective has been met. (See Section XI “Performance Measurements”, Goals & Objectives Matrix of the Consolidated Plan for specific measures). As mentioned above, a goal will be considered successfully fulfilled if the majority of its associated specific objectives have been accomplished and as such the success or failure in meeting a goal’s specific objectives act as the metric for measuring the state’s performance in meeting the plan’s goals.

The Consolidated Plan’s overarching goals will be considered successfully fulfilled if the majority of their associated goals have been accomplished and as such the success or failure in meeting the goals associated with each overarching goal act as the metric for measuring the state’s performance in meeting the plan’s overarching goals.

The statutory goals of the four programs will be considered successfully fulfilled if the overarching goals of the Consolidated Plan have been accomplished and as such the success or failure in meeting the overarching goals of the plan act as the metric for measuring the state’s performance in meeting the statutory goals of the four programs.

A graphic illustration of the objective and goal linkages, and outcome measures and indicators is located in Section XI “Performance Measurements”, Goals & Objectives Matrix of the Consolidated Plan.

Development Of Specific Objectives And Proposed Accomplishments

The specific objectives and proposed accomplishments described in Section IX. “Strategic Plan” of the Consolidated Plan were derived from a thorough review of the various needs within the state, a review of the resources available to address those needs, an assessment of the capacity of the state, local jurisdictions, housing authorities and private and not-for-profit organizations to meet those needs, and through a review of the state’s historic achievements in meeting those needs in the past and the costs associated with those achievements.

Prioritization Of Funding And Need

The Consolidated Plan recognizes that the housing and community development needs of the state are many while the resources to address these issues are limited. As such, this plan attempts to maximize all available state and federal resources by focusing the state’s efforts.

Only those issues deemed to be a high priority to the state have been identified in this plan. All other issues are, by default, deemed to be a lower priority in terms of funding attention.

There are 12 goals outlined in the Consolidated Plan document. These goals are as follows:

- GOAL 1: SUPPORTIVE HOUSING** - Develop and implement strategies and solutions to address the problem of homelessness through the utilization of supportive housing.
- GOAL 2: HOME OWNERSHIP** - Improve the ability of low- and moderate-income residents to access home ownership opportunities.
- GOAL 3: RENTAL HOUSING SUPPLY** - Preserve and increase the supply of quality affordable housing available to low- and moderate-income households.

- GOAL 4: RENTAL HOUSING OPPORTUNITIES** - Improve the ability of low- and moderate-income residents to access rental housing opportunities.
- GOAL 5: AFFORDABLE HOUSING PLANNING-** Help identify and develop available resources to assist in the development of housing.
- GOAL 6: FAIR HOUSING** - Empower upward mobility for low- and moderate-income residents through fair housing.
- GOAL 7: HOMELESSNESS** - Address the shelter, housing and service needs of the homeless poor and others with special needs.
- GOAL 8: SPECIAL NEEDS** - Address the housing and service needs of those populations defined as having special needs:
- Elderly And Frail Elderly
 - Persons With Disabilities
 - Persons With HIV/Aids And Their Families
 - Persons With Substance Abuse Issues
 - Persons Recently De-Incarcerated
- GOAL 9: LEAD PAINT AND HAZARDOUS MATERIALS** - Support the removal of lead-based paint and other hazardous materials in existing housing.
- GOAL 10: PUBLIC HOUSING RESIDENTS** – Facilitate homeownership opportunities for public housing residents.
- GOAL 11: NON-HOUSING: ECONOMIC DEVELOPMENT** - Provide communities with assistance to undertake economic development initiatives.
- GOAL 12: NON-HOUSING: INFRASTRUCTURE & PUBLIC FACILITIES** - Provide assistance to undertake improvements to the community infrastructure, and construct or rehabilitate public facilities projects affecting public health, safety and welfare of low- and moderate-income residents.

Objectives, Accomplishments And Measures

Each goal is followed by specific objectives (objectives are either specific actions to be taken or specific milestones to be achieved). Each of these objectives is, in turn, followed by a corresponding proposed accomplishment. The accomplishments are designed to serve as the metric that will gauge the performance of the state in meeting the objectives and ultimately the goal to which they relate.

Basis For Assigning Priority

Each objective and accomplishment also has a proposed funding source (or sources), a population and geographic target, and a priority rating. Each objective is supported by a brief discussion of the need/basis for assigning the priority and of obstacles to meeting underserved needs summarized from the Needs Assessment and Housing Market Analysis sections of the Consolidated Plan.

Priority ratings were established after a thorough examination of Connecticut's housing and community development needs and the state's current and historical housing market. (See Needs Assessment and Housing Market Analysis sections of the Consolidated Plan). Based on the state's review of all relevant and available data, specific issues were selected and run through an internal screening at the Departments of Economic and Community Development and Social Services. Issues chosen to be assigned high priority funding status within this plan were selected based on three overarching factors: (1) the issue's relative demonstrated need (as identified in the needs assessment), (2) the availability of other

funds to address the need and (3) the eligibility criteria of each of the four federal programs governed by this plan.

High Priority Needs And Funding

As stated above, only those issues deemed to be a high priority to the state have been identified in the Consolidated Plan. All other issues are, by default, deemed to be a lower priority in terms of federal funding attention.

This does not exclude the state from funding lower priority projects. The high priority designation serves to emphasize to the public, the areas in which the state will concentrate its efforts over the next five years, in terms of housing and community development. Further, it defines where the state will focus its usage of the federal funds accessed through the four state administered federal programs governed by this plan.

A proposed project that addresses a high priority need is not guaranteed funding based solely on the fact that it will address a high priority need. All projects funded by the state must be financially and logistically feasible as well as meet all of the eligibility criteria of the proposed funding source. When two or more projects are competing for funding dollars (all things being equal), the project addressing the high priority need will be given funding preference.

Note: for the purposes of this plan, "Other Funds" include all available state, federal or private funds other than those allocated to the state under the CDBG, ESG, HOME and HOPWA programs.

Outlined below are the Department's proposed accomplishments for the 2005-06 program year based on the performance measurement system presented in the 2005-09 Consolidated Plan.

2005-2006 GOALS & OBJECTIVES MATRIX

AFFORDABLE HOUSING

Goal 1 SUPPORTIVE HOUSING - Develop and implement strategies and solutions to address the problem of homelessness through the utilization of supportive housing.

COORDINATION AND PLANNING – SUPPORTIVE HOUSING				
Proposed Funding	Objective	Output	Performance Measure	Goal
State \$	1	Coordinate the efforts of all the various state agencies and quasi-public entities involved in housing and the provision of social services to focus the state's resources on this issue of supportive housing in an efficient and effective manner.	1 Establish an Interagency Council on Supportive Housing and Homelessness	1 Was the Council Established- Yes or No
PRODUCTION – SUPPORTIVE HOUSING				
Proposed Funding	Objective	Output	Performance Measure	Goal
ESG & State \$	1	Increase the number of permanent supportive housing opportunities available to homeless households or those at risk of becoming homeless, particularly those with special needs by providing financing for renovation of existing buildings.	1 Create 350-500 new supportive housing units over the next 5 years	1 Number of supportive housing units created 70 - 100 units

- 2 Was the goal of 350-500 new supportive housing units achieved
- Yes or No

SERVICE DELIVERY – SUPPORTIVE HOUSING				
Proposed Funding	Objective	Output	Performance Measure	Goal
HOPWA & State \$	1 Evaluate the appropriate method or vehicle to introduce supportive services into existing housing units.	1 Evaluate the appropriate method or vehicle to introduce supportive services into existing housing units over the next 5 years.	1 Evaluation completed - Yes or No	
		2 DMR will provide environmental modifications to make homes accessible to people who need environmental modifications so that they can continue living in their family home.	1 Number of environmental modifications made 2 Number of families served	
Shelter Plus Care		5 Provide access to the federal Shelter Plus Care Program administered by both the state (DMHAS) and local agencies.	1 Number of clients provided assistance through the Shelter Plus Care Program	

Goal 2 HOME OWNERSHIP - Improve the ability of low- and moderate-income residents to access home ownership opportunities.

PRODUCTION OF NEW UNITS - SINGLE FAMILY

Proposed Funding	Objective	Output	Performance Measure	Goal
HOME/ADI	1 Under the HOME/ADDI program, support local efforts to develop appropriate homeownership housing to make better use of limited urban land.	1 Support 25 homeownership units of in urban areas each year.	1 Number of homeownership units created	25 units
HOME & Other	2 Promote and support mixed-income developments in areas that currently under-serve low and moderate-income households.	1 Give preference to 1 mixed-income infill project creating at least 10 units of housing each year in areas that currently under-serve low and moderate-income households.	1 Was preference given to at least 1 mixed-income infill project - Yes or No 2 Number of mixed-income infill units created	1 project and 10 units

REHABILITATION OF EXISTING UNITS - SINGLE FAMILY

Proposed Funding	Objective	Output	Performance Measure	Goal
CDBG	1 Support the moderate rehabilitation of existing single-family homes (a single family home is defined as a 1 to 4 unit owner occupied residential structure).	1 Support 4 single-family moderate rehabilitation projects each year (with up to 100 units each) in CDBG eligible communities	1 Number of single-family moderate rehabilitation projects completed each year	4 Projects

- 2 Number of single-family units rehabbed each year
- 3 Was the goal of 4 single-family moderate rehabilitation projects each year achieved - Yes of No

ACQUISITION OF EXISTING UNITS - SINGLE FAMILY

Proposed Funding	Objective	Output	Performance Measure	Goal
CHFA	1 Continue using CHFA's mortgage programs for the promotion of homeownership opportunities in targeted areas where homeownership rates lag far behind.	1 Maintain lending in the state's federally targeted urban areas to a minimum of 30% of all mortgages purchased by the Authority each year.	1 Percent of all mortgages purchased annually in federally targeted urban areas	
			2 Was the target reached each year - Yes or No	
		2 Build program and investment partnerships with local stakeholders that maximize the use of the Authority's current program and leverage local, state and federal resources.	1 Number of program and investment partnerships created	

Goal 3 RENTAL HOUSING SUPPLY - Preserve and increase the supply of quality affordable housing available to low- and moderate-income households.

PRODUCTION OF NEW UNITS - MULTIFAMILY RENTAL

Proposed Funding	Objective	Output	Performance Measure	Goal
HOME	1	Promote and support mixed-income developments in areas that currently under-serve low and moderate-income households.	1 Produce 30 units of new multifamily housing in suburban towns each year. 2 Did the number of new multifamily housing units created in suburban towns each year fall within the targeted range - Yes or No	30 units
REHABILITATION OF EXISTING UNITS - MULTIFAMILY RENTAL				
Proposed Funding	Objective	Output	Performance Measure	Goal
CDBG	1	Invest in the maintenance and preservation of existing publicly-assisted rental housing stock to preserve it as a long-term resource.	1 Number of existing publicly-assisted rental units preserved 2 Was the target of 100 units per year achieved - Yes or No	100 units
HOME	2	Provide favorable loan terms for multifamily housing and mixed-use properties.	1 Average term and interest rate for loans for multifamily housing and mixed-use properties projects.	Up to 5 projects and 20 units

- 2** Was the average term and interest rate for loans for multifamily housing and mixed-use properties projects below market - Yes or No
- 3** Number of multifamily housing and mixed-use properties projects funded
- 4** Number of multifamily housing and mixed-use properties units created each year
- 5** Were five or more multifamily housing and mixed-use properties projects funded annually and was the goal of 100 units per year achieved - Yes or No

ACQUISITION OF EXISTING UNITS – MULTIFAMILY				
Proposed Funding	Objective	Output	Performance Measure	Goal

Other

1 Preserve federally assisted housing. CHFA is working to keep privately owned, federally assisted housing developments, which are eligible to prepay their mortgages low-income housing, so those very low-income households do not become homeless.

1 Identify those properties most at risk of being lost to the affordable market.

1 Were at risk properties identified - Yes or No

2 Number of properties at risk

2 Identify a strategy for mitigating the potential loss of units.

1 Were strategies for mitigating the potential loss of units developed - Yes or No

Goal 4 RENTAL HOUSING OPPORTUNITIES - Improve the ability of low- and moderate-income residents to access rental housing opportunities.

Proposed Funding	Objective	Output	Performance Measure	Goal
Other	1	Encourage local public housing authorities and DSS to respond to all notices of funding availability from HUD to increase the supply of Section 8 Vouchers.	1 Increase Section 8 vouchers annually by 50 new vouchers.	1 Number of new Section 50 vouchers 8 vouchers each year
			2 Was the number of Section 8 vouchers annually increased by 50 vouchers - Yes or	

No

Goal 5 AFFORDABLE HOUSING PLANNING- Help identify and develop available resources to assist in the development of housing.

Proposed Funding	Objective	Output	Performance Measure	Goal
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CDBG & Other	1	Encourage Regional Planning Organizations and municipalities to: 1) study regional housing cost patterns and zoning practices; 2) establish regional plans to address and promote affordable fair-share housing and inclusionary housing policies that provide choice across income levels, proximity to employment and 3) promote greater opportunity to develop income diverse neighborhoods in urban and suburban areas.	1 Complete 5 regional studies over the next 5 years.	1 Number of regional studies completed	1 Study
				2 Was a regional study completed - Yes or No	

Goal 6 FAIR HOUSING - Empower upward mobility for low- and moderate-income residents through fair housing.

Proposed Funding	Objective	Output	Performance Measure	Goal
HOME & Other	1 Support fair housing education and outreach activities and actions to address illegal discrimination.	1 Increase the collaboration on fair housing issues between the state, housing providers and fair housing advocacy groups.	1 Number of fair housing collaborations between the state, housing providers and fair housing advocacy groups	

- | | |
|--|--|
| <p>2 DSS will continue to fund mobility counseling/tenant education programs to encourage/assist/educate DSS Section 8 and State Rental Assistance Program participants with moves to areas of de-concentrated poverty.</p> | <p>1 Dollars committed to mobility counseling/tenant education programs</p> |
| | <p>2 Number of DSS Section 8 and State Rental Assistance Program participants that move to areas of de-concentrated poverty educated through this program</p> |

Goal 7 HOMELESSNESS - Address the shelter, housing and service needs of the homeless poor and others with special needs.

COORDINATION AND PLANNING				
Proposed Funding	Objective	Output	Performance Measure	Goal
ESG & Other	1	Expand homeless prevention services, follow-up services and increase transitional services throughout the system.	1	Utilize the Beyond Shelter Program, administered by the DSS, to reduce the reoccurrence of homelessness by assisting families who are leaving homeless shelters and transitional living programs to achieve housing stability by providing support services.
			1	Number of homelessness reoccurrences among DSS assisted families leaving shelters and transitional living programs
			2	Was the number of reoccurrences reduced - Yes or No

2 Maintain state-funded Eviction Prevention Program that assists families and individuals to remain in permanent housing.	1 Dollars committed to the Eviction Prevention Program 2 Was the funding level maintained - Yes or No
4 Increase number of client cases closed, settled or resolved by 50 per year, over five years in order to expand services.	1 Number of client cases closed, settled or resolved per year 50 cases 2 Did the number of clients cases closed, settled or resolved per year equal or exceed 50 per year
2 Increase number of rental or operating subsidies by at least 50 per year through federal application process.	1 Number of rental subsidies and number of operating subsidies 50 subsidies 2 Dollar amount of each new subsidy 3 Did the number of rental or operating subsidies increase by at least 50 per year - Yes or No

Goal 8 **SPECIAL NEEDS** - Address the housing and service needs of those populations defined as having special needs:

Proposed Funding	Objective	Output	Performance Measure	Goal
State \$	1	Support and promote the coordination of multiple agency resources and inter-agency cooperation.	1 Utilize the state's a Long Term Care Plan as a blueprint for coordination of services.	1 Was the state's a Long Term Care Plan used as a blueprint for coordination of services - Yes or No
		2 Continue to seek additional sources of funding to explore the 'Cash and Counseling' model of service provision	1 Number of additional sources of funding sought	
		3 Increase the number of linkages among federal agencies, state agencies and consumers in providing resources to continue the successful keeping of families and those individuals with disabilities together, through placing them in stable living situations and providing them with appropriate counseling and other supportive services	1 Number of linkages among Federal agencies, state agencies and consumers 2 Number of families and those individuals with disabilities kept together through placing them in stable living situations and providing them with appropriate counseling and other supportive	

services

4	Continue to convene interagency task forces to better coordinate programs and services for the homeless or at risk of homelessness population in Connecticut.	1	Did the interagency task force continue to convene - Yes or No
5	Promote community-based comprehensive planning initiatives on a local, regional and state level through outreach, technical assistance and funding	1	Number of community based comprehensive planning initiatives undertaken
6	Prepare a plan to establish and operate a pilot program to provide residential accommodations with assisted living services to individuals on the Department of Mental Retardation's waiting list for residential placement or support	1	Was the plan created - Yes or No

Elderly And Frail Elderly				
Proposed Funding	Objective	Output	Performance Measure	Goal

			2 Increase client caseload by 25 per year.	1 Number of new client cases managed	25 cases
Other	2	Increase the supply of new quality affordable housing with supportive services	1 Create 35 units per year of congregate or assisted living housing for frail elderly.	1 Number of congregate or assisted living units created per year	35 units

Persons With Disabilities

Proposed Funding	Objective	Output	Performance Measure	Goal	
Other	3	Maintain the registry of accessible housing units.	1 Fund the maintenance of the registry on an annual basis at current levels.	1 Dollar funding level of the registry 2 Year over year change in funding level 3 Did the funding level remain the same or increase - Yes or No	
Other	4	Continue to provide for accessibility modifications.	1 Fund accessibility modifications for 25 to 50 housing units per year.	1 Number of accessibility modifications funded 2 Was the goal of 25 to 50 units achieved - Yes or No	25 - 50 Units

Persons With HIV/Aids And Their Families

Proposed Funding	Objective	Output	Performance Measure	Goal
HOPWA & Other	1 Continue to fund existing HIV/AIDS programs.	1 Seek additional federal funding for existing HIV/AIDS programs	1 Was additional funding sought - Yes or No	

					2	What additional federal funding was sought	
			2	Increase access to supportive housing services for people living with HIV/AIDS and increase number of clients from 170 to 255 over five years.	1	Number of people accessing supportive housing services	17 people
					2	Year over year change in number of people accessing supportive housing services	
					3	Did the number of people accessing supportive housing services increase - Yes or No	
HOPWA & Other	2	Assess the effectiveness of supportive housing programs for people living with HIV/AIDS periodically through the use of performance measures and on-going mechanisms to track consumer preferences and needs.	1	Continue to evaluate AIDS/HIV supportive housing programs at least once a year.	1	Was the program annually evaluated - Yes or No	
HOPWA & Other	3	Develop new mental health and addiction service programs to meet the specific needs of persons with HIV/AIDS.	1	Review availability of new federal and state funding to meet specific needs of client population with a goal of increasing the number of clients provided appropriate services from 170 to 255 over five	1	Was the availability of funding reviewed annually - Yes or No	17 people

years.

2 Was additional funding secured - Yes or No

Persons With Substance Abuse Issues					
Proposed Funding	Objective	Output	Performance Measure	Goal	
Other	1	Continue existing substance abuse programs at levels permitted by funding availability. Link employment services, housing subsidies and long term supportive care to meet the needs of each beneficiary, by adapting services which anticipate and deal with changes in age, health, income and other circumstances. These actions will influence long term stability.	1	Increase number of clients who are provided appropriate services from 660 to 990 over five years.	1
				Number of substance abuse clients that received appropriate services	66 clients
			2	Year over year change of the number of substance abuse clients that received appropriate services	

- 3** Did the number of clients receiving appropriate services increase to at least 990
- Yes or No

Goal 9 LEAD PAINT AND HAZARDOUS MATERIALS - Support the removal of lead-based paint and other hazardous materials in existing housing.

Proposed Funding	Objective	Output	Performance Measure	Goal
CDBG, HOME & Other	1	Support the removal of lead-based paint and other hazardous materials in existing housing through paint testing and risk assessments in accordance with the final lead safe housing rule - Title X of the Lead-based Paint Hazard Reduction Act of 1992 (24 CFR Pt 35).	1 Number of housing lead-safe rehab projects per year	3 projects and 20 units
			2 Number of housing units made lead-safe per year	
			3 Was the goal of up to 3 housing rehab projects per year and 20 units per year achieved - Yes	

or No

Goal 11 **NON-HOUSING: ECONOMIC DEVELOPMENT** - Provide communities with assistance to undertake economic development initiatives.

Proposed Funding	Objective	Output	Performance Measure	Goal
CDBG & Other	1 Offer expanded economic opportunities including job creation and retention through the establishment, stabilization and expansion of small businesses (including Micro-enterprises) and the provision of public services concerned with employment.	1 Support at least one Economic Development Project with the creation of up to 15 jobs per year (8 of which will be for low and moderate income persons).	1 Number of economic development projects funded under the CDBG program annually	Provide training to grantees in support of towns efforts to establish E.D. projects

- 2 Number of jobs created by economic development projects funded under the CDBG program annually
- 3 Percent of jobs created by economic development projects funded under the CDBG program annually benefiting low and moderate income persons

Goal 12 NON-HOUSING: INFRASTRUCTURE & PUBLIC FACILITIES - Provide assistance to undertake improvements to the community infrastructure, and construct or rehabilitate public facilities projects affecting public health, safety and welfare of low- and moderate-income residents.

Proposed Funding	Objective	Output	Performance Measure	Goal
CDBG & Other	1 Support the upgrading of existing infrastructure within areas where the majority of residents are of low- and moderate-income.	1 Support up to 3 infrastructure projects per year to include reconstruction of streets, sidewalks, water lines, and drainage problems in predominately low and moderate-income areas.	1 Number of infrastructure conducted projects per year	3 projects
			2 Was the goal of 3 infrastructure projects per year achieved - Yes or No	

CDBG & Other

2 Support the construction and/or rehabilitation and/or expansion of existing public facilities that primarily serve low and moderate-income persons, including but not limited to: senior centers, homeless shelters, battered women shelters, daycare centers, and efforts to meet the needs of the physically handicapped population by supporting projects designed to make current facilities accessible or to provide new-handicapped accessible facilities.

1 Support up to 5 public facilities projects per year.

1 Number of public facilities projects conducted per year

5 projects

2 Was the goal of 5 public facilities projects per year achieved - Yes or No

Other

3 Support intra- and inter-urban transportation projects.

1 Continue to provide transit service where it already exists.

1 Number of transit service locations

2 Transit service locations

3 Year over year change in number of transit service locations

4 Number of transit service location changes annually

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H. Emergency Shelter Grants (ESG) Program:

Connecticut anticipates \$1,138,691 in Federal Program (ESG) funds for the new consolidated plan program year beginning July 1, 2005. Federal ESG funds will be pooled with \$2,220,268 in annual funding from Connecticut's general operating budget and \$6,818,757 from the U.S. Department of Health and Human Services' TANF and Social Services Block Grants. The Connecticut Department of Social Services (DSS) administers these funds.

The pool of funds are allocated to local community and faith-based organizations and municipalities for the provision of temporary shelter for homeless individuals and families. Federal and state funds provide operational costs, rehabilitation activities, essential services such as counseling, case management, health, education, employment and training as well as help finding permanent housing and homeless prevention activities.

Federal ESG funds will primarily be targeted for operational costs (65% of available funds) followed by essential services (30%) and administrative services (5%).

Connecticut currently has 25 shelters for single individuals, 8 shelters that support families and 13 shelters for both families and individuals. These shelters were established over the years due to the documented need to support homeless individuals and families. As needs are identified in local communities, the Department of Social Services examines its current financial capability to determine if there is financial and program support for new shelters.

An estimated 17,000 individuals, including families with children, will receive emergency shelter services during the program year that began July 1, 2004.

The Department of Social Services consults with the Connecticut Coalition to End Homelessness for the provision of technical assistance, program development service model recommendations and program evaluation.

1. Outcome Measures for Homeless Shelters - The Department of Social Services has negotiated the following client based outcomes and measures with directors of emergency shelters. Each shelter will select and negotiate individual numerical outcomes and measures with DSS staff and will submit a monthly statistical and a quarterly demographics report, as well as an annual performance report. The projected numerical goals represent statewide outcomes that will be evaluated throughout the program year.

- a. Outcome: Consumer attains alternate housing and/or accesses social and/or treatment services.

Measures:

- Singles Housing Programs: At least 30% of consumers will access another community housing setting such as transitional housing, residential treatment program or permanent housing;
- Family Housing Programs: At least 55% of consumers will access another community housing setting such as transitional housing, residential treatment program or permanent housing;
- Singles Housing Programs: At least 40% of consumers will access additional social services;
- Family Housing Programs: At least 65% of consumers will access additional social services;
- Singles Housing Programs: For consumers with an agreed upon goal of accessing information in order to make informed decisions about their health, education, housing, etc., 95% of consumers will be provided with such information to enable them to make informed decisions; and
- Family Housing Programs: For consumers with an agreed upon goal of accessing information in order to make informed decisions about their health, children's education, housing, etc.,

95% of consumers will be provided with such information to enable them to make informed decisions.

I. Housing Opportunities for Persons with AIDS (HOPWA) Program:

Connecticut anticipates \$242,000 in Federal Housing Opportunities for Persons with AIDS (HOPWA) funds for the new consolidated plan program year beginning July 1, 2005. HOPWA funds will be pooled with \$3,194,111 million in annual funding from Connecticut's general operating budget and \$909,895 from the US Department of Health and Human Services (HHS). In addition, Connecticut has approximately \$1,088,720 available in bond funds for acquisition, rehabilitation, or new construction of AIDS housing programs. The Connecticut Department of Social Services administers these funds.

HOPWA funds will be distributed to twenty-five community and faith-based organizations statewide that provide AIDS housing services. These funds in conjunction with state appropriations, will be used for community residence operational costs, rental assistance, technical assistance to non-profit organizations, supportive and case management services, housing information and resource identification.

The types of housing that will be funded include scattered site apartments, community residences with and without 24 hour staffing and respite/hospice care. The housing programs are located in eleven different Connecticut communities and provide housing with supportive services to approximately 3,376 individuals at any one time.

Supportive services include case management, medical services, legal assistance, substance abuse counseling and recovery support, pastoral and emotional counseling, cooking and cleaning assistance, transportation, social, recreational, educational and volunteer opportunities.

An estimated 1,314 individuals living with HIV/AIDS and their families will receive supportive housing assistance. The population to be served is 49% male adult, 31% female adult and 20% children. It is estimated 75% of adults will have a history of substance abuse. Each housing program has specific criteria for admission which includes verification of HIV/AIDS diagnosis, income verification, review of living situation with preference provided to those living in shelters or on the streets, and willingness to abide by program regulations such as drug free environments.

The community and faith-based organizations that provide the described services have established excellent reputations within their communities. Each has developed networks that are informed of the available housing and supportive services provided. Staff work closely with discharge planners from hospitals, homeless shelters and correction facilities, as well as, with case managers and care coordinators from the regional AIDS consortia. In addition the statewide Connecticut AIDS Residence Coalition (CARC) mails a semi-annual newsletter to approximately 1,200 social service and housing contacts. The Department of Social Services consults with CARC for technical assistance in the development of service models and program evaluation. CARC is a membership organization for AIDS housing providers in the state.

CARC and its members, through its Quality Assurance Program, will continue to work closely with the State Department of Social Services to establish appropriate and measurable performance measures for the coalition's activities.

1. Outcome Measures for AIDS Housing - The Department of Social Services has negotiated the following outcomes and measures with the AIDS residence service providers. Each organization that receives HOPWA funds will establish numerical goals for the outcomes and measures selected, and also submit semi-annual reports. The numerical goals identified below represent the statewide goal for all individual AIDS residence programs.

- a. Outcome: Program will strive to maintain maximum capacity.

Measure:

- Programs will maintain an occupancy rate of 80%.
- b. Outcome: Residents with HIV/AIDS will receive services and support to improve their quality of life.

Measures:

- For residents with an agreed upon goal of accessing financial and medical entitlement, at least 90% will be assisted in accessing such benefits;
- For residents with an agreed upon goal of improving daily living skills, at least 90% will demonstrate abilities in one or more functional area(s);
- For residents with an agreed upon goal of participation in support groups, counseling, therapy or substance abuse treatment, at least 90% will participate 70% of the time;
- For residents with an agreed upon goal of accessing legal services, at least 90% will access legal services; and
- For residents with an agreed upon goal of accessing information about medical services, treatment and/or medications in order to make informed decisions about their health, 100% will access the above identified services to enable them to make informed decisions about their medical treatment.

J. State and Federal Resources for DSS: State Fiscal Year 2005-6

SOCIAL SERVICES (DSS)	STATE	HUD	HHS	TOTAL
Emergency Shelters	2,220,268	1,138,691	6,818,757	10,177,716
Domestic Violence Programs	1,632,520		1,419,666	3,052,186
Housing Opportunities for Persons With AIDS	3,194,111	242,000	909,895	4,346,006
Section 8 Rental Assistance		45,332,858		45,332,858
Special Needs Housing Benefits (incl. in TFA,AABD expenditures)	546,850		33,930	580,780
Time-Limited Rental Assistance	1,148,963			1,148,963
Rental Assistance Program	12,318,787			12,318,787
Family Home Share Program	54,762			54,762
Elderly Home Share Program	95,535			95,535
Security Deposit Program	363,000			363,000
Eviction Prevention Program	226,515		977,905	1,204,420
Transitional Living Program	2,778,171	37,500	541,847	3,357,518
TOTAL FOR DSS	24,579,482	46,751,049	10,702,000	82,032,531

K. Monitoring for ESG and HOPWA Programs:

The following describes the standards and procedures that the Department of Social Services (DSS) will use to monitor activities carried out in furtherance of Connecticut's consolidated plan and will use to ensure long-term compliance with requirements of the ESG and HOPWA programs.

1. ESG Monitoring - The Department of Social Services Grants and Contract Staff monitor ESG Programs using a tool developed by the staff which, in a comprehensive manner, reviews each program's Administration, Personnel Policies and Procedures, Accounting, Budgeting, Reporting, Program Services, Goals and Objectives, Outcomes and Measures, Contractor's Self-Evaluation Process, Quality Assurance/Licensure Compliance. After all phases of the program have been evaluated, the Staff Representative will write up any areas of concern with whatever follow-up is needed. DSS staff will provide follow-up if it is deemed necessary.

2. HOPWA Monitoring - HOPWA contracts are handled a little differently than ESG. In addition to the above review, a coordinated effort between DSS Staff Representatives and the Staff of Connecticut AIDS Residence Coalition (CARC) perform a “Standards of Care” Review.

The Standards of Care is a comprehensive tool first produced in 1992 and carefully reviewed and updated twice since then. The philosophy behind this tool's development and use is the belief that all people have a right to safe, affordable, accessible, and permanent housing that enhances their quality of life. The Standards of Care was developed by the Standards Committee of CARC to describe the best practices of operating supportive residential programs for people living with HIV/AIDS. The Standards of Care describes six levels of supportive housing from Level I, a completely independent housing program, to Level VI for those who need skilled nursing care.

The Standards of Care address: resident eligibility, screening potential residents, staffing, and policies and procedures. These guidelines offer a detailed description of programs in establishing and running a residence.

The Standards of Care are a tool to assure the quality of programs by setting down guidelines for services, health and safety, and general management. A dual-committee of DSS staff representatives along with CARC staff use this tool to identify programs' strengths and weaknesses, highlight their best practices, and develop a framework, timeline and process for technical assistance to correct deficiencies.

Standards of Care review includes:

- Program Policies and Procedures: Program and Services, Admissions and Intake Services, and Supervision;
- Life, Health, Safety: Facility and Sanitation Safety, Health Care and Food Service;
- General Admission: Administration, Fiscal Management, Human Resources, Staff Development, Record Keeping and Information Systems;
- Citizen and Community Participation;
- Grievance;
- Structural and Design Considerations;
- Confidentiality; and
- Tuberculosis Screening and Management.

V. 2005 ACTION PLAN – ATTACHMENT A

Citizen Participation:

Process for Public Hearings and Public Commentary Period

The department held two Public Hearings on February 15, 2005 in Rocky Hill and February 17, 2005 in Hamden to elicit input into the development of the State's 2005-06 Action Plan for Housing and Community Development. Notification for these hearings appeared in nine (9) newspapers around the state. See attached copy of the notification. No testimony was received at either hearing. See attached copy of the hearing transcripts.

On March 10, 2005, the department initiated a 30-day public commentary on the Draft Action Plan. The public commentary period was concluded on April 9, 2005. The department also held three public hearings; March 22, 2005 in Rocky Hill, March 23, 2005 in Coventry and March 24, 2005 in Hamden. See attached copy of hearing transcripts. Notification for the public commentary period as well as the three aforementioned public hearings appeared in nine (9) newspapers around the state. See attached copy of the notification.

In addition to the public hearings and commentary period, the department posted the draft Action Plan on the agency's web site. This was noted in the public notices. The department also submitted, via e-mail, to the members of the State Legislature's Appropriations Committee, Commerce Committee, Planning and Development Committee and the Chairs of the Housing Sub-Committee, a copy of the legal notice for the public commentary period and public hearings as well as a copy of the draft Action Plan.

The Chief Elected Officials of all 169 municipalities in the state received a Department Notice informing them of the public commentary period as well as the public hearings. See attached copy of the notice. The draft Action Plan was also made available at the Regional Planning Agencies during the 30-day commentary period.

February 15, 2005 Public Hearing:

No one attended and there were no comments received.

February 17, 2005 Public Hearing:

No one attended and there were no comments received.

March 22, 2005 Public Hearing:

March 23, 2005 Public Hearing:

March 24, 2005 Public Hearing:

Comments received during the 30-day Public Commentary Period:

VI. 2005 ACTION PLAN – ATTACHMENT B

Copies of Citizen Participation Documents:

- Legal Notices for Public Comment Period and Public Hearings;
- Public Hearing Transcripts; and
- Notice to CEO's of Public Comment Period and Public Hearings.

VII. 2005 ACTION PLAN – ATTACHMENT C

Applications for Assistance (HUD form 424) and Certifications